

GOVERNOR AND SENATORS BACK NEW ALTERNATIVE-FUEL PROGRAM

By Mike Dennison

A new alternative-fuel partnership could mean a growing boom in Montana for camelina, an oilseed used to make biodiesel fuel, three of Montana's top political leaders said Tuesday.

Montana's two U.S. senators, Max Baucus and Jon Tester, joined Gov. Brian Schweitzer for a Capitol news conference, where they and company executives announced the formation of the biodiesel firm Sustainable Oils.

Sustainable Oils plans to produce and market up to 100 million gallons of camelina-based fuel a year, and will focus first on arranging growing contracts with Montana farmers, they said.

Baucus said boosting camelina production in Montana is a "wonderful opportunity" to start solving problems like dependence on foreign oil, global warming and economic woes in rural areas.

"We should not have to send any more of our young men and women to Iraq (or the Middle East)" to enable that region's countries to keep selling us oil for \$100 a barrel, he said.

Yet officials with the partnership said the camelina boom won't happen overnight, because many Montana farmers are getting record prices now for grain.

Grain farmers will have to be convinced that camelina is a profitable alternative crop, which could be used as a "rotation crop" with grains like wheat, said Ron Ueland, president of WestBred in Butte.

Westbred will be helping Sustainable Oils distribute seed and line up growing contracts with farmers. Ueland said the company hopes to sign up 30 to 50 farmers this year, and that they won't necessarily all be in Montana.

"This is a work in progress," he said. "We'll start out with an aggressive contract in Montana and go from there."

Oil crushed from camelina and other oilseed crops like canola or rapeseed can be used to refine biodiesel fuel, a cleaner-burning alternative to regular diesel fuel refined from oil.

Green Earth Fuels, based in Houston, is one of the partners in Sustainable Oils. Its president, Greg Bafalis, said Tuesday the company needs enough seed oil to feed a 90 million-gallon-a-year biodiesel refinery.

As the biodiesel market unfolds, the company might consider building refineries elsewhere, he said.

The other partner in Sustainable Oils is Targeted Growth Inc. of Seattle, a biotechnology firm that uses genetics and other fields to develop higher yields in various crops, including camelina, corn, canola and soybeans.

Tester, an organic farmer, said farmers will grow camelina if they can be shown that it saves them money on the “input” and turns a good profit when it’s sold.

“It’s another opportunity for farmers to stay in business,” he said.

Tester and Baucus also said they’re working to ensure that camelina is a “program crop” in the federal farm bill, qualifying its growers for federal assistance in some areas, and that it can be covered by federal crop insurance.

Bafalis also praised Baucus’s work as Senate Finance Committee chairman to create and maintain tax credits and fuel standards that encourage development of biodiesel fuel.

Growing enough camelina crop to produce 100 million gallons of biodiesel fuel could take as many as 1 million acres.

Lola Raska, executive vice president of the Montana Grain Growers Association, said it’s a crop that grows well in Montana, but that it still must be “economically feasible” for farmers.

North-central Montana farmers are getting about \$8 a bushel for wheat right now, and other grains like barley also are paying well, she said.

“Any alternative crop is going to have to be very competitive to compete with these high prices,” Raska said.